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NSC BRIEFING

5 August 1954

### POSSIBLE CHINESE ATTACKS ON OFFSHORE ISLANDS

- I. Strong possibility of Chinese Communist operations against some Nationalist-held offshore islands during next several weeks.
  - A. Since 9 July, Peiping has claimed US intention extend 7th Fleet coverage to "certain" off-shore islands.
  - B. Communists may want to move before US committed to defense as well as before start monsoon season (late September-October).
  - C. Most vulnerable Nationalist islands are Tachen and Matsu groups.
- II. Since mid-May, Communists have occupied six small islands some 20 miles north of Tachens.
  - A. Nationalists now report arrival six landing craft, with 10,000 troops, at point 50 miles north of Tachens, also sighting of 1,000-ton warship, many small vessels at points 15 miles east and southeast of Tachens.

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- IV. Nationalist strength believed to be only 15,000 troops on Tachens, 9,000 on Matsus, possibly 4,500 on Nanchi.
- A. These islands valuable to Nationalists as listening posts, for advance warning air and sea attacks on Formosa, and as bases for operation against mainland.
- V. In addition to strong chance attack on Nationalist islands, also marginal possibility attack on Formosa.
- A. Current propaganda most intense, aggressive since 1950.
  - B. Principal charges: US scheming use Formosa as base for aggression; advising, assisting Chinese Nationalist forces; dispatching spies and saboteurs to mainland; committing piracy against merchant vessels.
  - C. Peiping also asserts US preparing conclude pact with Taipei which would show "permanent hostility" to Chinese people, with "protracted grave consequences."

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D. Since 26 July, Peiping has said Chinese peoples "most important task" is "liberation" of Formosa. On 1 August (Army Day) Commander in Chief Chu Teh said Chinese must fight with "singleness of purpose" to take Formosa, that "other countries" will not be allowed to interfere.

VI. At least four reasons for Peiping propaganda on Formosa now.

- A. With Korean stalemate, armistice in Indo-China, logical device for keeping Chinese worked up is Formosa, which Communists have been vowing to "liberate" since 1949.
- B. Nationalist seizures Bloc ships is cause for serious concern.
- C. Communists genuinely want no US-Chiang pact, which would increase US commitment to defense Formosa.
- D. Formosa is ideal issue for widening differences between US and rest of West, US and Asian "neutrals."

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VII. Full-scale assault on Formosa in near future unlikely.

- A. Peiping made same assertion in 1950 about fighting "single-mindedly" for Formosa, but in fact Communists have not moved against the island.
- B. Peiping's main consideration was and still is US commitment to island's defense, as symbolized by mission of US 7th Fleet.
- C. However, Communists have capability for air attack Formosa. May do this at any time, to give substance to propaganda.

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*Offshore China Islands*

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